



## **FY2021 RECOMMENDED BUDGET**

Kevin Austin, Chairman

David Moxley, Vice Chairman

Gilbert Hemric, Commissioner

Frank Zachary, Commissioner

Marion Welborn, Commissioner

Lisa Hughes, County Manager

Ed Powell, County Attorney

Tanya Gentry, Clerk

Drew Hinkle, Asst. Co. Manager

Lindsey Cearlock, Finance Officer

217 E. Willow Street  
Yadkinville, NC

## INTRODUCTION

Welcome to the County of Yadkin's Annual Recommended Budget for Fiscal Year 2020-2021. The intent of this document is to convey what county government is doing to maintain the quality of life within Yadkin County, as well as the improvements we are making within our community.

The budget serves four basic functions for County Commissioners, staff, citizens of Yadkin County, and others. First, it is a policy document that articulates the County Commissioners' priorities and goals for the upcoming year. Secondly, it serves as an operations guide for staff in developing goals and objectives for the fiscal year and in monitoring and evaluating progress toward those goals. Thirdly, the budget is a financial device for the projection of revenues and expenditures; it authorizes expenditures and the means for financing them; and, is a control mechanism for spending limits. Finally, it is a way to communicate to citizens how public money is being spent and what is being accomplished with those expenditures. We hope readers come away with a better understanding of County services in general and specifically what will be done in Yadkin County during the fiscal year.

The coronavirus pandemic has greatly impacted the budget process for fiscal year 2020-21 (FY2021) and changed its direction along the way. There are still many unknown variables that may impact the budget and County government operations throughout the upcoming fiscal year.

Yadkin County staff remains committed to the County vision of maintaining and promoting the County's rural heritage, character and values, while being good stewards of our resources and providing excellence in programs, safety and service. We embrace growth and innovation while fostering the environment where all live, work and play.

The strategic areas designed by the County Commissioners to fulfill the County vision include:

- Protecting the Financial Position of the County,
- Expanding Water and Sewer,
- Developing a Comprehensive Economic Development Plan,
- Continuing to Work with the Yadkin County Public Schools and Surry Community College,
- Expanding the Parks and River Accesses in the County,
- Reviewing County Properties for Need and Improvements, and
- Measuring performance to ensure service effectiveness.

It is the hope of County staff that, by using this guide and working with County residents, County government can better meet the needs of every citizen.

### READER'S GUIDE

The budget begins with the County Manager's budget message that contains key features of the budget as recommended by the County Manager. Highlights of the proposed work plan and information about the financial condition of the County are also included.

The first section in the document, the Budget Summary, summarizes the total County budgeted revenues and expenditures as well as the total General Fund budget. The Budget Summary section also includes a listing of appropriations by funds, an accounting term which simply means a balanced set of revenues and expenditures. The County of Yadkin has established separate funds for the purpose of reporting and accounting for all financial transactions. Each fund represents a separate financial and accounting entity established for the purpose of carrying out a specific set of activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations that pertain to the operations or resources of the fund.

Each fund is categorized by ***personnel, operating, program, capital outlay*** and ***debt service***.

The General Government section provides expenditure summaries for the General Fund departments. Each department is shown separately.

The next section summarizes the budgets of the County's Special Revenue and Enterprise Funds. An enterprise fund is a fund established to account for operations that are financed and operated in a manner similar to private business enterprises. Expenditures in these funds are financed primarily through user fees. This section of the budget also includes one internal service fund that centralizes the employee health insurance expenditures.

### BUDGETARY FUND STRUCTURE

The County of Yadkin budget consists of two overarching fund types, Governmental and Proprietary Funds.

**Governmental Funds** are used to account for those functions reported as governmental activities. Most of the County's basic services are accounted for in governmental funds.

The County of Yadkin has two types of **Proprietary Funds**: *Enterprise and Internal Service*. *Enterprise Funds* are used to report the same functions presented as business-type activities and *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the County of Yadkin. The County uses an Internal Service Fund to account for its employees' health insurance in the Self-Insurance Fund.

### FUNDS SUBJECT TO APPROPRIATION BY CATEGORY

The *General Fund (Fund 10)* is the general purpose fund of the County of Yadkin. It was established to account for all financial resources, except those required by State law, local ordinance, and generally accepted accounting principles, to be accounted for in another fund. General Fund revenues primarily include property taxes, sales taxes, and revenues from state and federal governments, fees, and permits. The major operating activities include general government, public safety, education, health and human services, cultural and recreational, debt service and other governmental service functions.

The *Occupancy Tax Fund (Fund 23)* includes the collection of occupancy taxes within the Yadkin District (excludes the Towns of Jonesville and Yadkinville) and the distribution to the Occupancy Tax (TDA) Trust Fund.

The *Emergency Telephone Fund (Fund 27)* includes revenues and expenditures associated with the restricted revenues that come into the County through a 911 surcharge on individuals' phone bills to support the expenditures required for Communication Centers to receive emergency phone calls for fire, law enforcement and medical services. These expenditures are restricted to those authorized by North Carolina General Statute and approved by the NC 911 Board.

The *Fire Service Districts' Funds (Funds 50-59)* are property tax revenues that are generated from individual tax levies for each of the ten fire districts within Yadkin County. There are two types of fire districts in Yadkin County: Rural Fire Protection Districts and Fire Service Districts. Arlington, Buck Shoals and West Yadkin Districts are Rural Fire Protection Districts that were created by petition and voted upon by their property owners. Boonville, Courtney, East Bend, Fall Creek, Forbush, Lone Hickory and Yadkinville Districts were created by the Board of County Commissioners. The Board of Commissioners currently serve as the governing bodies of all of the districts and have a contractual arrangement with local non-profit fire departments to provide the necessary services to the citizens of Yadkin County. The County has the responsibility to oversee how these funds are spent by the fire departments and to hold them accountable for taxpayer dollars.

## FY2020-2021 RECOMMENDED BUDGET



The *Law Enforcement Fund (Fund 74)* includes revenues and expenditures associated with federal drug seizure funds and can only be spent for specified law enforcement needs.

The capital category provides for building and park improvement projects, as well as various other physical improvement projects which typically cost over \$5,000, have a useful life greater than one year, and are approved by the County Commissioners. Yadkin County has a modest capital budget that is funded annually within the operating budget, with major capital projects being authorized through specific Project Ordinances.

Below is the next five years of the County's Ten-Year Capital Improvement Plan.

Department	Project	20-21	21-22	22-23	23-24	24-25
<b>Animal Shelter</b>	Automatic Gate			10,000		
	Generator				50,000	
	Pave parking lot		40,000			
	Redo kennel surfaces					50,000
<b>Central Permitting</b>						
	Vehicle- new position		35,000			
<b>Elections</b>						
	Voting Machines			130,000		
<b>Emergency Services</b>						
	Ambulance	226,000	220,000	225,000	440,000	230,000
	Ambulance Cots		22,000	23,000	23,000	23,000
	Cardiac Monitor Lease			400,000		
	Fire Marshal Turnout Gear			4,000		
	Outpost		350,000		350,000	
	Outpost Upgrades		5,000	5,000	5,000	1,000
	Vehicle- new position		50,000			
<b>Information Technology</b>	Desktop PCs	10,000	10,000	10,000	10,000	10,000
	Firewall w/remotes	5,614				
	GIS & Tax Plotters		8,000	8,000		
	Switch upgrades	114,000	30,000	30,000	30,000	30,000
	Mobile Data Terminals	4,500	8,000	8,000	8,000	8,000
	Physical Servers	15,000				
	Security Cameras					20,000
	Tax Software		750,000	500,000		



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<b>Parks and Recreation</b>	Ball Field Repair			25,000	15,000	10,000
	Concession stand			55,000		
	Dip sediment from Lake Hampton	21,000	25,000		25,000	
	Fence for pool					15,000
	Gator	11,000			12,500	
	Lighting of Fields		200,000	100,000		
	Motor Boat at Memorial Park			20,000		
	Mower	10,000		12,500		10,000
	Parking lot at Yadkin County Park		35,000			
	Pave parking lots and road into park		54,000	31,000		
	Phase III Memorial Park					500,000
	Pool lanes and holder			5,500		
	Reel mower to mow athletic fields	18,000				
	Rental Boats		5,000		5,000	
	Restoration of Barn		8,000	12,500		
	Restoration of House		5,000			
	Soccer goals		7,500			
	Tractor				45,000	
	Truck		30,000			30,000
	Yadkin County Park			50,000		
<b>Public Buildings</b>	Building Improvements	60,000	30,000	30,000	30,000	30,000
	Energy Improvements		5,000	5,000	5,000	5,000
	Flooring Replacements		10,000	10,000	10,000	10,000
	Former Coop Ext Building Upfit		250,000			
	HVAC Replacements		50,000	50,000	50,000	50,000
	Parking Lot Improvements		50,000	50,000	50,000	50,000
	Roof Replacements		30,000	30,000	30,000	30,000
<b>Sheriff's Office</b>	Courthouse Security Scanner		15,000			
	Detention Center SWC Hardware			90,000		
	Evidence Garage HVAC		10,000			
	Radio Upgrade to Viper		1,000,000	1,000,000	500,000	
<b>Soil &amp; Water</b>	No Till Drill		22,500		22,500	
	Tractor Tires	4,000				5,000

## FY2020-2021 RECOMMENDED BUDGET



	Watershed Program Structures	80,569	165,000	181,500	199,650	219,615
<b>Vehicles</b>	New/Replacement of vehicles	-	265,000	265,000	270,000	270,000
	<b>GENERAL FUND GRAND TOTAL</b>	<b>579,683</b>	<b>3,800,000</b>	<b>3,376,000</b>	<b>2,185,650</b>	<b>1,606,615</b>
<b>Solid Waste</b>	AST used Oil Container		5,000			
	Collection Site Renovations	5,000	5,000	5,000	5,000	5,000
	Equipment...Skid Steer		35,000			
	Replace/Repair Dumpsters		5,740	6,000	5,000	5,000
	Road Improvements	15,000	36,548			
	Scale House Renovations			125,000		2,000
	Scales Digital Display (mandated)	6,000				
	Lawnmower	6,000				
	<b>SOLID WASTE FUND GRAND TOTAL</b>	<b>32,000</b>	<b>87,288</b>	<b>136,000</b>	<b>10,000</b>	<b>12,000</b>
<b>Water &amp; Sewer</b>	Brooks Crossroads Sewer		3,500,000			
	Lake Hampton Water Plant					
	Waterline Repairs-hydrants, meters, etc.		5,000	5,000	5,000	5,000
	<b>WATER &amp; SEWER FUND GRAND TOTAL</b>		<b>3,505,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>

The purpose of the Capital Project Funds, which are not included in this budget document, is to account for the financial resources segregated for the acquisition or construction of major capital facilities. The budgets within these funds are adopted for the life of the project, with revenues and expenditures accumulating until the year in which the project is completed. The County currently has two (2) on-going Capital Projects: Phase II of the Yadkin County Memorial Park and the construction of the new Sheriff's Administration Building.

## BUDGET PREPARATION AND ADOPTION

The Budget Process begins with the Commissioners' Budget Retreat held in January or February wherein the County's financial condition and future forecasts are reviewed. This is also an opportunity for the Commissioners to develop goals and objectives for the upcoming year.

In accordance with North Carolina State Statutes, departments must submit a budget request to the Budget Officer (County Manager) before April 30 of each fiscal year. For the County of Yadkin, the deadline for Departmental submissions is typically the end of March. This year, a different approach was used. Department Directors were provided a number that reflected their average of actual expenditures over the last five years as a target number for their budget requests. Once departmental budget requests are submitted, the County Manager reviews them and their justifications. The Manager prepares a recommended budget and makes revisions as necessary in the operating budgets, the capital budgets, and the revenue estimates, until a final recommended budget document is produced in late May.

According to North Carolina General Statutes, a budget message and a balanced budget must be submitted to the Commissioners no later than June 1. In the County of Yadkin, these are typically submitted to the Board of Commissioners in May. After a formal budget submission to Commissioners, work sessions are conducted with the Commissioners as needed, and a public hearing is held to provide an opportunity for all citizens to provide input on the budget. In accordance with North Carolina General Statutes, final adoption of the budget must take place before July 1 of each year.

In accordance with the North Carolina General Statutes, the County prepares and adopts the budget on the modified accrual basis of accounting, in which revenues are recorded when the amount becomes measurable and available, and expenditures are recorded when the liability is actually incurred. Only revenues and expenditures anticipated during the fiscal year are included in the budget. Unexpended operating budget funds revert to fund balance at the close of the fiscal year. Unexpended capital project reserve funds are carried forward life-to-date until the project is officially closed.

Throughout the fiscal year the County's financial accounting system maintains a modified accrual method as the adopted budget. At year-end, the County's Annual Financial Report is prepared on a basis consistent with "generally accepted accounting principles" or GAAP. This basis of accounting conforms to the way the County prepares its budget with some exceptions. The most notable exception is that the County's Enterprise funds are converted from the modified accrual basis of accounting to the full accrual basis for financial statement presentation purposes. In the accrual basis, revenues are recognized when they are earned and expenses are recognized when they are incurred. This change between the budget and the financial report for the Enterprise funds provides for some significant differences. One is that depreciation is recorded as an expense in the Financial Statements and is not recognized at all in the budget. Another is that capital outlay and principal debt service payments are identified as expenditures in the budget but reported as adjustments to the balance sheet in the Financial Statements.



The following chart summarizes when accrual and modified accrual are used for the basis of reporting and the basis of budgeting:

<b>Fund</b>	<b>Basis of Budgeting</b>	<b>Basis of Reporting</b>
General	Modified Accrual	Modified Accrual
Special Revenue	Modified Accrual	Modified Accrual
Enterprise	Modified Accrual	Accrual

## **BUDGET PREPARATION PROCESS**

### **SCHEDULE OF EVENTS FOR THE PREPARATION OF THE FY2021 BUDGET**

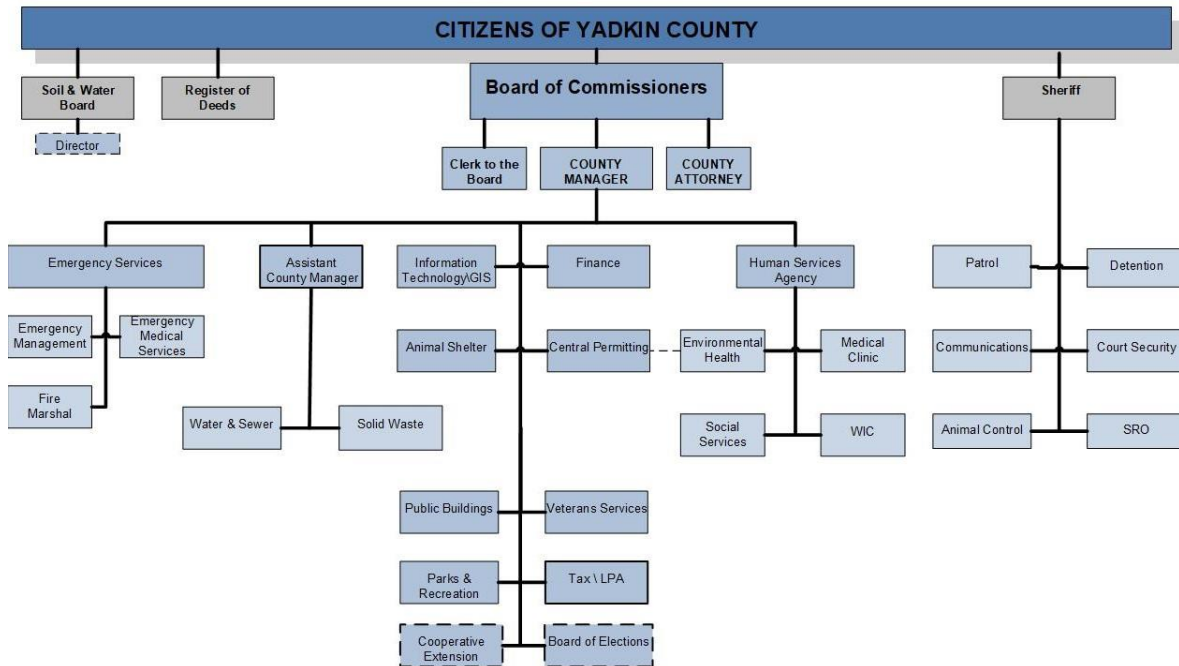
<b>Event</b>	<b>Date</b>
Commissioners' Budget Retreat	January 27, 2020
Budget direction given to Department Directors	February 28, 2020
Departmental and Outside Agency budget requests due	March 27, 2020
Budget Submission to the County Commissioners	May 30, 2020
Public Hearing on Budget at County Commissioners Meeting	June 11, 2020
Budget Adoption	June 15, 2020

## **BUDGET AMENDMENT PROCESS**

Proposed amendments to the budget may be submitted at any time during the year by a Department Director to the County Finance Officer. The County Manager is authorized to transfer funds \$5,000 or less within a department. Any funds transfer greater than \$5,000 or that amends the departmental adopted budget must be approved by County Commissioners.

All proposed Ordinance amendments are reviewed by the Finance Officer and submitted to the Board of Commissioners for approval. The Finance Officer prepares all Capital Project Fund Ordinance amendments.

## ORGANIZATIONAL STRUCTURE



## FINANCIAL MANAGEMENT POLICIES

Financial Management Policies serve as guidelines for the preparation and operation of the annual budget. They are designed to complement the North Carolina Local Government Budget and Fiscal Control Act, recommendations of the Local Government Commission (LGC), and the Government Finance Officers' Association. These policies were developed by Finance staff and were formally adopted by the County Commissioners effective March 7, 2016. These policies are used to frame major policy initiatives and are reviewed during each budget process to ensure continued relevance and to identify any gaps that should be addressed with new policies. These policies assist in maintaining the County's stable financial position and ensure that Commissioners' intentions are implemented and followed.

## REVENUES

### Revenue Diversity

The County shall continue to provide adequate funds for stable operation of desired service levels through diversification of revenue sources to avoid over-reliance on any one revenue source and to maintain stable rates and fees.

### Fees and Charges

The County shall maximize user fees where possible in order to distribute the costs of governmental services to those who use the services; include users who may have tax exempt property; to avoid subsidizing where the service is not used by the general public, except where appropriate; and maintain charges that are equitable and efficient by capturing the costs to provide the service.

All revenue sources will be reviewed on an annual basis, the levels of cost recovery will be reviewed, and the reasons for the subsidy will be reviewed.

### Use of One-time Revenues

Use of one-time revenues is limited to covering expenditures that temporarily exceed revenues, early debt retirement, or capital purchases that do not significantly increase ongoing operating expenses.

### Property Tax Estimates

The percentage collection of property taxes relative to the tax rate estimated in the budget must not be greater than the percentage of the levy realized in cash as of June 30 of the preceding fiscal year, in accordance with State law. This ensures a conservative estimate of property tax revenues.

### Unpredictable Revenue

Estimated revenues shall include only those reasonably expected to be realized during the fiscal year.

Grant funding will be pursued and used for a variety of purposes. Applications to apply will be reviewed and evaluated in advance for consistency with Commissioners goals and compatibility with County programs and objectives. All new grants must be presented to the Board of Commissioners for consideration before application is made. Any awarded funds will be accepted only after Commissioners review and approve them. Any changes in the original intended use of grant funds must be approved by the granting agency and County Commissioners.

## EXPENDITURES

### Balanced Budget

The County shall prepare an annual balanced budget in accordance with the Local Government Budget and Fiscal Control Act and “generally accepted accounting principles” (GAAP).

Actual funds expended and received against budget will be reported to the County Manager and County Commissioners on a monthly basis.

### Evaluation and Prioritization

Expenditures shall be reviewed by staff, the County Manager, and County Commissioners prior to adoption, and continually monitored throughout the budget year. Priority will be given to expenditures consistent with those necessary to carry out the mandated and core services of the County.

## RESERVES

### Fund Balance

The County shall maintain a minimum unassigned fund balance equal to 15-20% of the operating budget for each of the County's funds, with a target equal to 20%. The County Board of Commissioners may appropriate fund balances that will reduce available fund balance below the 20% policy for the purposes of a declared fiscal emergency or other such global purpose as to protect the long-term fiscal security of Yadkin County. In such circumstances, after available fund balances have been calculated as part of closing-out a fiscal year, the Board will adopt a plan as part of the following year's budget process to restore the available fund balance to the policy level within 36 months from the date of the budget adoption. If restoration cannot be accomplished within such time period without severe hardship to the County, then the Board will establish a different, but appropriate time period.

The Board of Commissioners may take formal action at any open meeting to establish, modify or rescind a fund balance commitment. Committed fund balances do not lapse at the end of the fiscal year. Assigned fund balances lapse at the end of the fiscal year unless these assignments are extended.

## DEBT MANAGEMENT

### Debt Model

The County will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues except where approved justification is provided. The County will take a balanced approach to capital funding utilizing debt financing and pay-as-you-go funding that will provide the least financial impact on the taxpayer. Pay-as-you-go funding will come from budgeted appropriations.

### Debt Service

The total annual debt service paid on tax-supported debt shall not exceed 15% of the operating expenditures in the General Fund including inter-fund transfers. If for any reason, it does exceed 15%, Finance staff must obtain approval from the Board of Commissioners.

### Direct Net Debt

The outstanding direct net debt will not exceed the NC statutory limit of 8% of the appraised property subject to taxation with an optimal level of less than 4%.

### Bonded Debt

Capital projects financed through the issuance of bonds will be financed for a period not to exceed the expected useful life of the project.

## CAPITAL INVESTMENT

It is the responsibility of the Board of Commissioners to provide for the capital facilities necessary to deliver governmental services to Yadkin County citizens, as well as facilities for the Yadkin County Public Schools and Yadkin Center of Surry Community College. The County will consider all capital improvements in accordance with an adopted Capital Improvement Plan. The Capital Improvement Plan is inclusive of capital improvements (renovations), replacement (vehicles and heavy equipment) and major capital projects (new construction).

The capitalization threshold minimum for capital assets is set at \$5,000. The threshold will be applied to individual capital assets and will only be capitalized if they have a useful life of at least one year from the date of acquisition.

## ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

The accounting systems for the County will be compliant with the North Carolina Local Government Budget and Fiscal Control Act and will be maintained to enable the preparation of financial statements that conform to generally accepted accounting principles (GAAP).

Access to the Financial System is made available to Department Directors and other staff for the continuous monitoring of revenues and expenditures. Emphasis is placed on internal budgetary and financial controls with regard to the financial system for the purposes of maintaining proper checks and balances. The County has an annual independent audit performed by a certified accounting firm that issues an opinion of the

annual financial statements that are required by the Local Government Budget and Fiscal Control Act.

Full disclosure is provided in all regulatory reports, financial statements and debt offering statement.

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## **FY2020-2021 RECOMMENDED BUDGET**

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### **Transmittal Letter**

May 30, 2020

**The Honorable County Commissioners  
And the Citizens of the County of Yadkin:**

I am pleased to present you and the citizens of the County of Yadkin with the Recommended Budget for the fiscal year beginning July 1, 2020 and ending June 30, 2021. This budget is in accordance with §159-11 of the North Carolina General Statutes and meets the statutory and administrative obligations to prepare and present a balanced budget for your consideration.

The total budget for all funds (Governmental and Proprietary, excluding the Internal Service Fund) is \$40,664,708.

The General Fund is the largest component of this total with expenditures of \$37,239,788, an increase of 0.49% or \$183,293 above the current adopted amount of \$37,056,495. The approval of this budget does not require any tax increase to the ad valorem rate which will remain at \$0.66 per \$100 assessed value.

It is recommended that the "rainy day fund" or General Fund unassigned fund balance, be appropriated for certain one-time expenses rather than recurring expenses. The FY2021 Recommended Budget includes a fund balance appropriation of \$2,000,000 to balance this budget. This amount is approximately \$494,780 more than the amount appropriated in the FY2020 Adopted Budget that totaled \$1,505,220.

The County's General Fund undesignated fund balance remains healthy and above the Financial Policy's target of 15-20 percent with this recommended budget.

### **REVENUE HIGHLIGHTS**

#### **Ad Valorem Tax**

The Tax Administrator's real and personal property's assessed value as of May 2020 for FY2021 is approximately \$2,661,203,324, which is \$3,892,456 more than the \$2,657,310,868 in FY2020. This budget recommends leaving the tax rate at \$0.66 per \$100 of assessed value. The FY2021 values at a 97.3% collection rate will produce an estimated \$17,600,000 in revenue. This projected revenue is an increase of \$468,861 or 2.7% from last year's budget estimate of \$17,131,139.

Tag & Tax Together requires motorists to pay their motor vehicle taxes at the same time

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they pay their vehicle registration. Under this structure, the taxes are not levied until the bills are issued. The motor vehicle assessed value as of May 2020 for Fiscal Year 2020-21 is \$300,000,000 at a collection rate of 100% will produce an estimated \$2,000,000 in revenue.

The budget also projects approximately \$562,500 in prior year taxes and \$175,000 in interest and penalties.

### Sales Tax

The FY2021 budget estimates sales tax revenue at \$6,327,000, a decrease of \$703,000 from the FY2020 adopted budget of \$7,030,000.

Sales tax is one of the huge variables in the FY2021 budget. The estimate is 10% lower than the estimated sales tax revenues for FY2020. State guidance suggests that due to COVID-19, sales tax revenues will be down anywhere from 20% to 50% compared to FY2020. Sales taxes are collected by retailers in February and submitted to the NC Department of Revenue (NCDOR) in March. During the month of April, the NCDOR reviews the sales taxes and prepares distribution to local governments. This distribution is not known to local governments until it is received in May; three months after it was generated in retail. In North Carolina, Governor Cooper issued an Executive Order that closed public schools and dine-in restaurants in mid-March and a Stay-at-Home Executive Order effective March 30<sup>th</sup>. These actions impacted the State's economy and local governments won't begin to realize its impact until July when we receive the sales taxes generated in April.

### Budget Preparation

In developing the FY2021 recommended budget, the strategies used to balance the budget included:

- Moderate revenue estimates
- Controlled expenditures to continue core services
- Use of fund balance to balance the budget

In starting the budget process, County priorities were identified and the budget was framed around them. Those priorities included the following:

- Protecting the Financial Position of the County,
- Expanding Water and Sewer,
- Developing a Comprehensive Economic Development Plan,
- Continuing to Work with the Yadkin County Public Schools and Surry Community College,
- Expanding the Parks and River Accesses in the County,
- Reviewing County Properties for Need and Improvements, and
- Measuring performance to ensure service effectiveness.

Every department in the County contributed to the overall goal of recommending a budget that incorporates a fiscally responsible plan for the continuation of basic quality services that meets the County's priorities as set forth above. Departments were charged with submitting a budget that aligned with current department priorities and service delivery, with a flat budget. You will hear a common theme throughout this budget document: the impact of the coronavirus or COVID-19. When the Commissioners held their Budget Retreat in January, there were discussions of expansion of programs, performance pay increases, cost of living adjustments, new positions, succession planning and retrofitting the former Cooperative Extension building to relocate adult probation to so the County could sell the building on Main Street, among other things. Then six (6) weeks later we were faced with the COVID-19 pandemic. There are State and Federal funds coming to the County that are mandated to be spent for COVID-19 expenses and are being tracked accordingly.

A survey conducted by the Piedmont Triad Regional Council of Governments in April showed that of the twelve member counties and towns were considering hiring freezes, pay freezes, reductions in force, wage reductions, reduced benefits, and adding staff in some areas and reducing staff in others in response to anticipated lost revenues due to COVID-19. Yadkin County values our employees and has implemented hiring freezes and recommended no pay increase to avoid reductions in force and wage reductions. Almost fifty percent (50%) of those governments surveyed also stated that they planned to cut or reduce programs or services. Most of these reductions would be in capital improvements, general government, parks and recreation, as well as cultural arts and public safety. Travel and training expenditures have been reduced significantly, fifty percent (50%) in most Departments. Yadkin County has delayed some capital improvements as evidenced in the Capital Improvement Plan, but the recommendation is to move forward with critical improvements. Phase II of the Memorial Park expansion is under construction and will be concluded in late summer. Citizens enjoy being able to get outside and enjoy the fresh air, especially while during Stay-at-Home and Safer-at-Home Orders, the ability to get outside and practice social distancing at Memorial Park/Lake Hampton and river accesses have been more valuable than ever.

The stressors on governmental budgets due to COVID-19 include sales tax declines as much as 80% and property tax collections decreases as much as 46%, per those governments surveyed by the PTRC. The Recommended Budget does include a 10% decrease from the FY2020 budget estimate for sales tax collections, as well as other anticipations of slight declines in revenues. Yadkin County has been very fortunate in years past when counties across the state have suffered during economic downturns, Yadkin has maintained its revenue base and has not been negatively impacted as much as other governments. Our hope is that continues with COVID-19.

**EXPENDITURE HIGHLIGHTS****Continuing Core Services**

Our workforce is the backbone to the continuation of high-quality services to our community. The goal during this pandemic is to retain current employees without negatively impacting them through reduction in force or decrease in benefits. The Recommended Budget does not include any performance increase, career ladder advancement or cost of living adjustment. It does continue the hiring freeze that was put into place in April 2020. Hopefully, these measures, as well as revenue increases will allow the Board of Commissioners to increase budget appropriations enough to implement performance increases and career ladder advancements mid-year. These appropriations would need to be approximately \$195,000.

The County is partially self-insured for health insurance in that the County pays employee claims rather than paying a premium to an insurance company to assume all liability and has a stop-loss or reinsurance plan that caps claims at \$125,000 per occurrence, thereby reducing County costs for insurance further. Being self-insured provides the County more control and opportunities to improve employees' health, while saving county tax dollars. The County also provides health insurance to eligible retirees at the same rate as active employees. The FY2021 Recommended Budget includes funding health insurance for retirees in the amount of \$333,200, a \$9,235 increase over FY2020. Eligible retirees are covered until they qualify for other insurance, including Medicare. The County added a new benefit in FY2019 for County employees and retirees by providing an Employee Wellness Clinic that is open five (5) days per week. Full-time employees covered under the County's Health Insurance plan are not required to use sick leave or to pay a co-pay, as the medical visits are not filed on County insurance, rather the visits are paid through a not-to-exceed flat contract with an independent third-party vendor. Employees who are not covered by the County's Health Insurance Plan are required to pay \$20.00 per visit to the Clinic. Employees are encouraged to have a health risk assessment conducted and to utilize the Wellness Clinic to meet their medical needs. By reducing the number of claims processed by our third-party claims' administrator, the fee for this service continues to be flat, allowing the County to better control the overall cost of providing health insurance to employees. While most entities face 10% and 12% increases for health insurance, the County has maintained the \$8,200 per employee cost for several years. However, due to a few high claims in FY2020 and increased stop-loss premium, it was necessary to increase the cost to \$8,400 or 2.4% per employee for FY2021. Overall, this is a \$58,906 increase to the FY2021 budget.

## FY2020-2021 RECOMMENDED BUDGET

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The FY2021 budget also reflects an increase in workers' compensation due to increased claims, especially higher claims and an increase in property/liability insurance from FY2020. Workers compensation is increasing 11.5% or \$28,805 from FY2020's amount of \$249,400 to \$278,205 in FY2021. Property/liability insurance is increasing 2.15% from \$181,980 in FY2020 to \$185,906 in FY2021.

The Local Government Retirement System increased local governments required contributions for employees working more than 1,000 hours within a calendar year and this has significantly impacted the FY2021 Budget, as it did the FY2020 budget. The general employees' contribution rate increased from 9.02% to 10.22% of salaries and law enforcement increased from 9.77% to 10.84%. The cost of contributions to the Local Government Retirement System has increased \$141,429 from \$1,017,573 to \$1,159,002 or 13.8%.

The increases in health insurance, local government/law enforcement retirement, workers' compensation insurance and property/liability insurance combined totals \$233,066, almost equal to one cent of the property tax rate.

Additional funding is needed to continue core services at current levels. Many of these services require capital expenditures to ensure staff has the proper resources to complete their jobs safely and effectively. Some of these initiatives include the following:

- Purchase of one new ambulance totaling \$226,000
- Plumbing repairs in the existing Sheriff's Office
- Fire Alarm system in the Human Resources Building
- Limited computer replacements
- Watershed Dam repairs

### ***Vehicle Replacement***

The County purchases vehicles other than ambulances and DSS vehicles in the Vehicle Replacement Fund. On average, we have replaced five (5) Sheriff's vehicles annually and other vehicles as needed. Fund balance was appropriated in June 2020 in the General Fund and transferred to the vehicle replacement fund to replace five (5) Sheriff's vehicles in FY2021. The FY2019 budget piloted a new program of leasing vehicles, other than Sheriff's and DSS vehicles. The FY2021 budget contains continued lease payments for vehicles leased but does not expand the program. Social Services is in need of two (2) vehicle replacement vehicles for the Social Workers making home visits, but due to budget constraints, the FY2021 budget does not recommend any vehicle replacements other than one ambulance and transfers one vehicle from the County vehicle pool to the Social Services Division of Human Services.

### *Not Included*

A number of worthwhile service expansions and new modifications were requested and reviewed as part of our efforts to propose a frugal and focused spending plan for next year. Additional requests from various County departments and outside agencies that are not included totaled \$1,488,047. Departments worked with the County Manager throughout the budget process assisting with the difficult decisions to be made in reductions that would have the least amount of impact on their services.

We have attempted to balance Commissioners' priorities with available resources, minimizing the impact on our citizens, taxpayers and the services we provide for them. I hope you will find this proposal, which has been developed with your guidance, achieves your goals as much as it can during this difficult time.

### **Emergency Telephone Fund**

Revenues and expenditures are restricted in this fund for communications related to citizens' ability to call 911 for emergency assistance. The State 911 Board has decreased revenue to Yadkin County from \$268,040 in FY2020 to \$246,870 in FY2021. Expenditures in the Fund are restricted to those approved by the State 911 Board.

### **Occupancy Tax Fund**

This fund accounts for the occupancy tax that is levied for overnight stays in hotels, bed and breakfasts, cottage rentals, etc. The funds collected are disbursed to the Tourism Development Authority for expenditures related to promoting Yadkin County to visitors. The occupancy tax collections for FY2021 are estimated to be \$25,000.

### **Law Enforcement Fund**

The Law Enforcement Fund remains flat at \$6,000, as the restricted revenues and expenditures come from Federal law enforcement drug cases.

### *Enterprise Funds*

#### **Solid Waste**

The Solid Waste budget increased \$6,000, or 0.23% from \$2,565,300 in FY2020 to a recommended FY2021 budget of \$2,571,300. The costs for the transfer station, collection site pick-ups and recycling have been increasing more than the revenues annually, making it difficult to keep this fund self-sustaining. In addition, the cost of recycling has drastically increased across the United States. We have identified ways to control and reduce our costs, including installing compactors at our largest Collection Sites, removing recycling from one site and thoroughly reviewing all of our options for providing solid waste services. The FY2021 Budget does not include a fund balance appropriation.



### **Water and Sewer**

The Water and Sewer Fund continues to be self-sustaining. The water and sewer lines in the Yadkinville area are leased to the Town of Yadkinville and no expense is budgeted for these lines. Revenues for the Highway 21 waterline are based upon the water rates set by the Town of Jonesville and the expenditures are based upon the water purchase contract between the Town and the County and the County's cost to maintain the line. The County also owns and operates the East Bend waterline. The revenues for this line are estimated on the usage by the Town of East Bend, as well as approximately 34 other users and the expenditures are based upon the water purchase contract between the Winston-Salem/Forsyth County Utilities Commission, the County's cost to maintain the line and the debt service for construction of the line. The budget does include one supervisor and one operator for the waterlines. The Water and Sewer budget for FY2021 is \$575,750, a decrease of \$2,960 from FY2020's budget of \$578,710. The FY2021 budget does include a fund balance appropriation of \$208,750. This fund balance was part of the commitment made by the Board of Commissioners to lessen the cost of operations of the East Bend waterline and reduce the rates charged to the Town of East Bend and lessen their financial burden.

### **COUNTY FEES**

The Recommended Budget for FY2021 is based on minimal changes to the Fee Schedule and the Fee Schedule will be submitted June 15 for the Board's consideration.

### **PERFORMANCE**

In an effort to focus on effectiveness and efficiencies of programs, the FY2021 budget includes Performance Measures for each department. The measures are to be qualitative and relative to service delivery. The measures are a work in progress as Department Directors develop a better understanding of them and how they can be incorporated into the budget process.

### **COMMITMENT**

The County is committed to creating financial resiliency in preparation for the opportunities, and pandemics, that we will face in the months and years to come. We continue to challenge each other and our systems, policies and methods of operation to ensure our taxpayer dollars are used efficiently and responsibly. As the General Assembly convenes and deliberates the future with regard to various revenue stream distributions, as well as expenditures that may be placed upon us, we will move forward conservatively to preserve our revenue sources as well as remain flexible and proactive in our efforts to maintain quality services. We will continue to engage all employees in our efforts to make sure the way we provide services to citizens and how we conduct our internal business represents the core values established by the County.

## FY2020-2021 RECOMMENDED BUDGET

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In closing, I would like to commend the efforts of the County Commissioners for their guidance in the preparation of this budget and for their commitment to quality services for our community. I would also like to commend County department leaders who shared in the preparation of this very challenging budget. I would like to especially thank Lindsey Cearlock, Drew Hinkle, and Brittany Allen for assisting with the budget process.

The FY2021 Recommended Budget is now provide to the Board of Commissioners and the community for consideration. We, as staff are prepared to support you and answer any questions you may have as you consider these recommendations.

Respectfully Submitted,



Lisa L. Hughes  
Yadkin County Manager

## REVENUE AND EXPENDITURE SUMMARY

Operating	Revenues	Expenditures
General Fund	\$ 33,082,428	\$ 33,082,428
Occupancy Tax	\$ 25,000	\$ 25,000
Emergency Telephone Fund	\$ 246,870	\$ 246,870
Law Enforcement Fund	\$ 6,000	\$ 6,000
Solid Waste Fund	\$ 2,571,300	\$ 2,571,300
Water and Sewer Fund	\$ 372,611	\$ 372,611
<b>Subtotal</b>	<b>\$ 36,304,209</b>	<b>\$ 36,304,209</b>
<b>Debt Service</b>		
General Fund	\$ 4,157,360	\$ 4,157,360
Water and Sewer Fund	\$ 203,139	\$ 203,139
<b>Subtotal</b>	<b>\$ 4,360,499</b>	<b>\$ 4,360,499</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 40,664,708</b>	<b>\$ 40,664,708</b>

### GENERAL FUND BUDGET SUMMARY (Including Interfund Transfers)

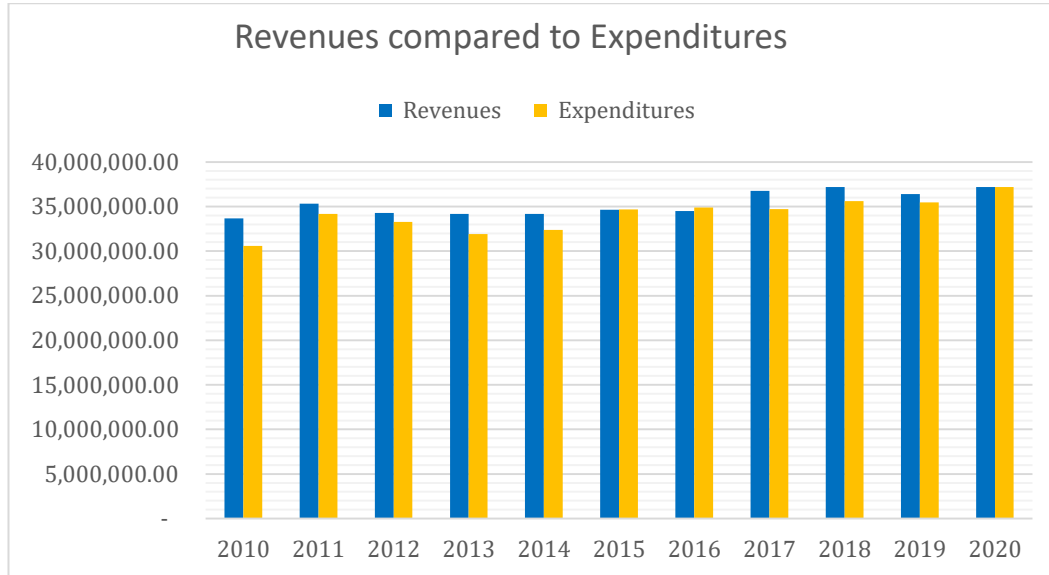
	FY18-19 Actual	FY19-20 Budgeted	FY19-20 Revised	FY20-21 Recommended	Variance FY20 to FY21
<b>Revenues</b>					
<b>Property Tax</b>	\$ 20,286,351	\$ 19,886,439	\$ 19,886,439	\$ 20,348,500	2.3%
<b>Local Sales Tax</b>	\$ 8,001,857	\$ 7,567,000	\$ 7,567,000	\$ 6,912,400	-8.7%
<b>Other Revenue</b>	\$ 8,562,853	\$ 8,097,836	\$ 8,373,758	\$ 7,978,888	-1.5%
<b>Appropriated Fund Balance</b>	\$ -	\$ 1,505,220	\$ 2,585,528	\$ 2,000,000	32.9%
<b>Total</b>	<b>\$ 36,851,061</b>	<b>\$ 37,056,495</b>	<b>\$ 38,412,725</b>	<b>\$ 37,239,788</b>	<b>0.5%</b>
<b>Expenditures</b>					
<b>Governing Body</b>	\$ 82,873.10	\$ 79,590.00	\$ 79,525.00	\$ 76,130	-4.3%
<b>Administration</b>	\$ 432,733.90	\$ 491,395.00	\$ 496,366.00	\$ 496,815	1.1%
<b>Finance</b>	\$ 196,761.91	\$ 204,060.00	\$ 201,512.00	\$ 207,835	1.8%
<b>Tax</b>	\$ 667,290.23	\$ 736,555.00	\$ 736,490.00	\$ 749,575	1.8%
<b>License Plate Agency</b>	\$ 82,495.69	\$ 88,605.00	\$ 88,579.00	\$ 89,320	0.8%
<b>Court Facilities</b>	\$ 51,292.44	\$ 57,000.00	\$ 57,000.00	\$ 53,000	-7.0%
<b>Elections</b>	\$ 188,656.21	\$ 208,855.00	\$ 208,855.00	\$ 219,283	5.0%
<b>Register of Deeds</b>	\$ 246,962.40	\$ 256,595.00	\$ 256,504.00	\$ 256,827	0.1%
<b>Information Technology</b>	\$ 322,414.27	\$ 346,345.00	\$ 346,293.00	\$ 348,252	0.6%

## FY2020-2021 RECOMMENDED BUDGET

<b>Transfers to Other Funds</b>	\$ 522,959.00	\$ 163,900.00	\$ 804,231.00	\$ 147,510	-10.0%
<b>Public Buildings</b>	\$ 436,298.24	\$ 485,385.00	\$ 485,251.00	\$ 491,915	1.3%
<b>Sheriff</b>	\$ 5,818,547.46	\$ 6,275,483.00	\$ 6,284,752.00	\$ 6,320,000	0.7%
<b>Emergency Services</b>	\$ 3,245,386.13	\$ 3,438,386.00	\$ 3,482,995.00	\$ 3,553,480	3.3%
<b>Fire Marshal</b>	\$ 117,489.66	\$ 175,045.00	\$ 181,422.00	\$ 138,510	-20.9%
<b>Building Inspections</b>	\$ 330,152.19	\$ 378,985.00	\$ 377,930.00	\$ 401,865	6.0%
<b>Medical Examiner</b>	\$ 26,900.00	\$ 23,000.00	\$ 23,000.00	\$ 26,000	13.0%
<b>Animal Shelter</b>	\$ 228,024.59	\$ 250,430.00	\$ 253,014.00	\$ 246,885	-1.4%
<b>Planning</b>	\$ 40,027.64	\$ -	\$ -	\$ -	0.0%
<b>Economic Development</b>	\$ 143,000.00	\$ 143,500.00	\$ 143,500.00	\$ 76,500	-46.7%
<b>Cooperative Extension</b>	\$ 109,245.53	\$ 188,565.00	\$ 189,565.00	\$ 225,055	19.4%
<b>Soil and Water Conservation</b>	\$ 231,615.57	\$ 320,555.00	\$ 315,205.00	\$ 306,180	-4.5%
<b>Health</b>	\$ 1,305,296.58	\$ 1,512,276.00	\$ 1,594,089.00	\$ 1,524,640	0.8%
<b>Mental Health</b>	\$ 118,000.00	\$ 118,000.00	\$ 118,000.00	\$ 118,000	0.0%
<b>Juvenile Crime Prevention</b>	\$ 135,891.00	\$ 135,891.00	\$ 155,015.00	\$ 168,019	23.6%
<b>Social Services</b>	\$ 5,566,468.33	\$ 5,877,910.00	\$ 5,893,825.00	\$ 5,796,146	-1.4%
<b>Community Action Programs</b>	\$ 1,296,120.13	\$ 1,156,834.00	\$ 1,181,103.00	\$ 1,156,834	0.0%
<b>Veteran Services</b>	\$ 55,385.74	\$ 57,695.00	\$ 57,695.00	\$ 57,190	-0.9%
<b>Public Schools</b>	\$ 7,134,287.00	\$ 7,397,863.00	\$ 7,717,379.00	\$ 7,468,511	1.0%
<b>Community College</b>	\$ 299,936.05	\$ 361,000.00	\$ 386,475.00	\$ 391,000	8.3%
<b>Hospital</b>	\$ 178,434.80	\$ 222,835.00	\$ 222,601.00	\$ 222,932	0.0%
<b>Recreation</b>	\$ 533,821.98	\$ 579,879.00	\$ 584,000.00	\$ 570,825	-1.6%
<b>Non-Departmental</b>	\$ 1,618,237.70	\$ 1,168,800.00	\$ 1,192,595.00	\$ 1,177,394	0.7%
<b>Debt Service</b>	\$ 4,220,806.76	\$ 4,155,278.00	\$ 4,297,959.00	\$ 4,157,360	0.1%
<b>Total</b>	<b>\$ 35,983,812</b>	<b>\$ 37,056,495</b>	<b>\$ 38,412,725</b>	<b>\$ 37,239,788</b>	<b>0.5%</b>

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The chart below shows the relationship between the General Fund's actual revenues and expenditures for the last ten years and the recommended FY2021 revenues and expenditures.



### **FUNDS AND FUND BALANCES**

The Budget Message highlights the following funds; General Fund, Solid Waste Enterprise Fund, Water and Sewer Enterprise Fund, Emergency Telephone (E911) Fund, Occupancy Tax Fund and the Fire District Funds.

Each of these fund types has its own specific legal and accounting requirements. Appropriations lapse at year-end in each fund creating its own fund balance. Fund balance represents monies that remain unspent after all budgeted expenditures have been made. These unspent monies serve as a working capital reserve to pay expenditures in the early part of the fiscal year before taxes are collected.

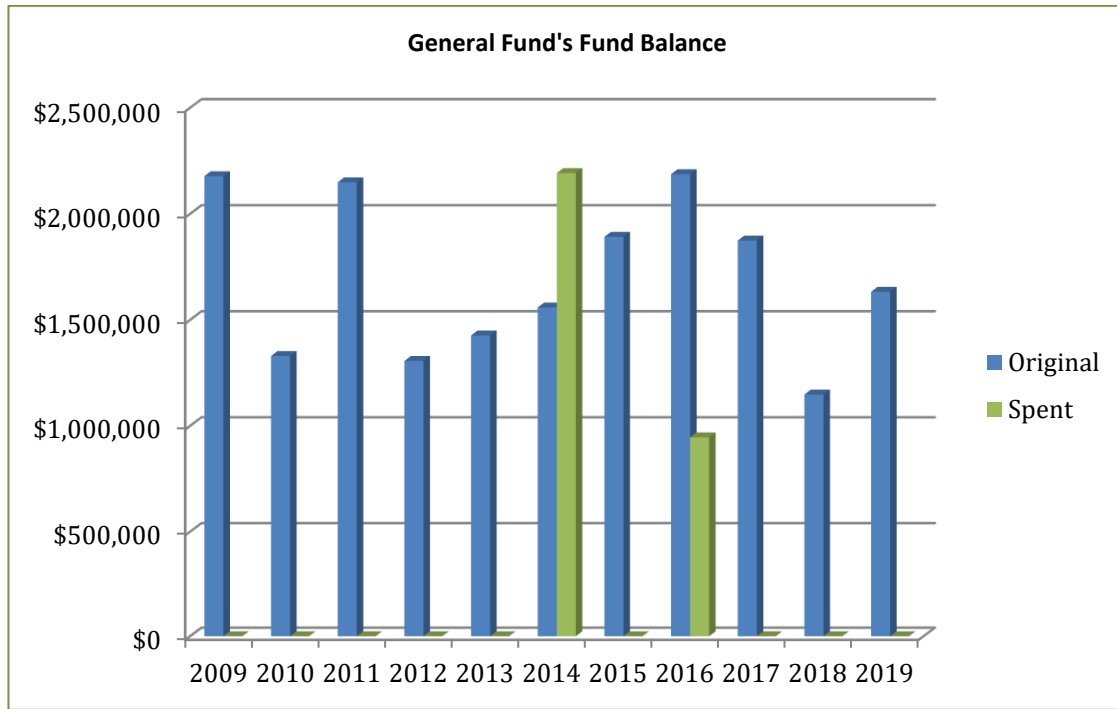
#### **General Fund**

The General Fund is the principal fund used to account for the provision of governmental services. This fund summarizes the financial transactions of functional services, based on departmental operations, except for those transactions that must be accounted for separately in other funds. Unassigned fund balance June 30, 2019 was \$9,660,646 or 26.85% of the General Fund expenditures for the year according to our unqualified audit. The Local Government Commission recommends that counties maintain a minimum of 8% fund balance in the General Fund. The appropriated fund balance in the General Fund for FY2021 is \$2,000,000, an increase of \$494,780 over the appropriated \$1,505,220 in FY2020. While these amounts have been appropriated to balance the budget, revenues and expenditures have been so that the fund balance has not actually been used. The graph

## FY2020-2021 RECOMMENDED BUDGET



below shows the appropriated fund balance adopted in each budget for the last ten (10) fiscal years, as well as the couple of years fund balance was strategically used.



### **Solid Waste Enterprise Fund**

The recommended FY21 budget for the Solid Waste Enterprise Fund is \$2,571,300 representing a 0.23% or \$6,000 increase over the FY20 budget of \$2,565,300.

This budget does not include a fund balance appropriation from the Solid Waste Enterprise Fund. As of June 30, 2019, the unrestricted Solid Waste Enterprise Fund balance was \$283,579.

### **Water & Sewer Enterprise Fund**

The FY2021 Water and Sewer Fund budget totals \$575,750. This budget is a \$2,960 decrease from the FY2020 original budget of \$578,710. The net position of the Water & Sewer Fund decreased \$187,838 in FY2019 to \$7,528,155 from \$7,716,993 in FY2018. The FY2021 budget uses an appropriation of fund balance in the amount of \$208,750 that reflects the intentional expenditure to ease the financial burden on the Town of East Bend to pay the required rates for the East Bend Waterline.

### **Emergency Telephone System Special Revenue Fund**

The projected Emergency Telephone System (911) revenue recommended in this budget is \$246,870. The Emergency Telephone Fund's fund balance as of June 30, 2019 was



## FY2020-2021 RECOMMENDED BUDGET



\$260,218, an increase of \$77,673 over the FY2018 amount of \$182,545. Due to the increased fund balance, the State 911 Board decreased the revenue for Yadkin County in FY2021 to \$246,870 from \$268,040 in FY2020.

The Emergency Telephone System's expenditures are restricted by general statute and are subject to approval by the State 911 Board. Essentially, these funds can only be used for expenses related to the calls coming into the Communications Center.

### AUTHORIZED POSITION LISTING

The authorized position listing (full-time equivalent or FTE) summarizes the net changes in positions for the fiscal years 2020 and 2021 budgets. Animal Shelter, Elections, Emergency Services, Recreation, Sheriff's Office and Solid Waste use additional non-benefitted part-time employees within their appropriated part-time salaries budget that are not included in the position listing.

	FY20 Actual		FY21 Requested		FY21 Recommended	
	FT	PT-B	FT	PT-B	FT	PT-B
Administration	6	0	6	0	6	0
Finance	3	0	3	0	3	0
Tax	13	0	13	0	13	0
Elections	2	0	2	0	2	0
Register of Deeds	3	1	3	1	3	1
Information Technology	5	0	5	0	5	0
Public Buildings	5	0	5	0	5	0
Sheriff	86	0	88	0	86	0
Emergency Services	41	0	44	0	41	0
Central Permitting	5	0	6	0	5	0
Animal Shelter	3	0	3	0	3	0
Soil & Water	3	0	3	0	3	0
Health	18	2	20	1	19	2
Social Services	59	3	60	2	59	2
Veterans	1	0	1	0	1	0
Hospital	2	0	2	0	2	0
Recreation	6	0	6	0	6	0
Solid Waste	3	4	3	4	3	4
Water and Sewer	2	0	2	0	2	0

## FY2020-2021 RECOMMENDED BUDGET

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As you can see in the table above several departments requested additional positions in the FY2021 budget. The County has several key employees eligible for retirement who plan to retire within the next few years and we have started succession planning for those positions.

The Sheriff requested two (2) additional deputy positions to work night shift. During the day hours, there is sufficient personnel available to assist on calls, but at night there are only three (3) deputies on duty and the towns also have reduced availability. Due to safety reasons, these additional deputy positions are needed, but are not included in the FY2021 Recommended Budget due to anticipation of reduced revenues.

Emergency Services requested Deputy Director, Community Paramedic and Deputy Fire Marshal positions. The Deputy Director and Deputy Fire Marshal positions are needed for different reasons. The Deputy Director position is needed operationally to assist the Director and relieve some of the operational duties of the Captains so they can focus more on supervision. The Deputy Fire Marshal is needed to assist the Fire Marshal in conducting required fire investigations and fire inspections. At last count, there were 1,596 businesses within the county that require a fire inspection ranging from every six (6) months to once every three (3) years. In addition, there are 300 inspections that are out of date and 657 businesses that were never inspected prior to 2010. There are also life-safety violations that require re-inspection in seven (7) days. The Fire Marshal also has to be available for fire investigations. While there are on average 39 investigations per year in the last ten (10) years, a qualified individual has to be available to conduct the investigations. Having a Deputy Fire Marshal would increase the availability of staff for the investigations and required inspections. The Community Paramedic position would expand services to include Community Paramedicine. This program has been implemented in several other counties and is not one that agencies can bill for at this time. Paramedics are on the frontlines every day providing emergency medical care to citizens and with the COVID-19 pandemic continuing to impact our community, now is not the time to expand services.

Central Permitting requested an additional Building Inspector position to begin succession planning. The Central Permitting Director conducts inspections as well as fulfilling all administrative duties. During the budget process, our other building inspector accepted employment in another county and the priority changed to filling that position and bringing that employee on board.

Human Services requested reclassifications of two (2) part-time benefitted positions (one in the Health Division and one in the Social Services Division) and a new position (public health nurse) in the Health Division. The reclassification of the Lab Tech in Health was denied due to the lack of increased workload demand at the Medical Clinic. The full-time

## FY2020-2021 RECOMMENDED BUDGET



additional Public Health Nurse is included in the recommended budget as this employee is required if the Department bills Medicaid. The employee will be responsible for case management and is 100% reimbursable from Medicaid. For the past several years, the County has contracted with Surry County to provide this service. The reclassification of the Social Worker position from 22 hours per week to 40 hours per week in Social Services is not recommended. This position is currently vacant and is recommended to be eliminated.

While not a County position, Cooperative Extension has had an Interim Director for over a year that has been at no cost to Yadkin County. The Recommended Budget includes NC State employing someone to be the Yadkin County Cooperative Extension Director full-time. This position is an employee of the State and the County would pay 50% of their salary and benefits.

### Overview

In an effort to focus on effectiveness and efficiencies of programs, the FY2021 budget includes Performance Measures for each department. The measures are to be qualitative and relative to service delivery. The measures are a work in progress as Department Directors develop a better understanding of them and how they can be incorporated into the budget process.

## GENERAL FUND REVENUE ESTIMATE

Revenues	FY2019 Actual	FY2020 Original	FY2021 Recommended
Property Tax	\$ 20,286,351.38	\$ 19,886,439.00	\$ 20,348,500.00
Local Sales Tax	\$ 8,001,856.78	\$ 7,567,000.00	\$ 6,912,400.00
Fees & Permits	\$ 2,798,635.09	\$ 2,676,035.00	\$ 2,653,700.00
Intergovernmental	\$ 4,866,545.88	\$ 5,247,051.00	\$ 5,210,418.00
Other	\$ 897,672.30	\$ 174,750.00	\$ 114,770.00
App. Fund Balance	\$ -	\$ 1,505,220.00	\$ 2,000,000.00
<b>Total</b>	<b>\$ 36,851,061.43</b>	<b>\$ 37,056,495.00</b>	<b>\$ 37,239,788.00</b>

### Property Taxes

Property Taxes are the largest revenue source for the General Fund at approximately 54% representing \$20.3 million. The amount represented here includes current and prior year tax as well as penalties and interest. The property tax rate will be \$0.66 per \$100 assessed valuation. The revenue estimate is based upon a 97.3% collection rate for Property and a 100% collection rate for Motor Vehicles.

## **FY2020-2021 RECOMMENDED BUDGET**

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The County's real property tax base is expected to total approximately \$2,571,745,457.66. Motor Vehicle property is projected to be approximately \$300,000,000.

### **Local Sales Tax**

The FY2021 budget estimates sales tax revenue at \$6,327,000, a decrease of \$703,000 from the FY2020 adopted budget of \$7,030,000. The table above also includes the Medicaid Hold Harmless amount the County receives, which is estimated to be \$450,000 in FY2021. The County receives this funding in exchange for losing the Article 44 sales tax in 2009 when the State assumed administration for Medicaid. The table above also includes the tax distributions from alcohol sales.

### **Fees and Permits**

This revenue category includes the anticipated revenues for items including: building permits, recreational fees and facility rentals, and represents a 0.83% or \$22,335 decrease over FY2020's amount of \$2,676,035 for an estimate of \$2,653,700 in FY2021. Fees and Permits make up 7.4% of total revenues.

### **Intergovernmental**

The total for Intergovernmental Revenues represents approximately 13.99% of the County's anticipated total revenues or \$5,210,418 million. These revenues include state grants, state allotments for Public Health and Social Services, utility franchise taxes, beer and wine taxes, video programming tax, court fees, and local jurisdictions contributions. The FY2021 intergovernmental revenue estimate reflects a \$36,633 or 0.70% decrease from FY2020. The County continues to see a decrease in funding from the Federal and State governments for Social Services and Health programs.

### **Other Revenue**

Other revenue includes miscellaneous revenue sources in the amount of \$114,770, a \$59,980 decrease over FY2020's estimate of \$174,750.

### **Appropriated Fund Balance**

Appropriated fund balance in the amount of \$2,000,000 is included for one-time expenditures and to balance the budget.

## **DEPARTMENTS**

### **Governing Body**

The five-member Board of County Commissioners is the official legislative and policy-making body of the County. Commissioners are elected at large for staggered two or four year terms. The Commissioner receiving the fewest votes serves a two-year term.

## FY2020-2021 RECOMMENDED BUDGET



All official actions of the County Commissioners are taken at public meetings. The Board of County Commissioners holds regular public meetings on the first and third Monday of each month. The County Commissioners also conduct special meetings, work sessions on the County budget, and other issues of special interest.

### BUDGET SUMMARY

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 62,514.32	\$ 63,390.00	\$ 63,555.00
<b>Operating</b>	\$ 20,358.78	\$ 16,200.00	\$ 12,575.00
<b>TOTAL</b>	<b>\$ 82,873.10</b>	<b>\$ 79,590.00</b>	<b>\$ 76,130.00</b>

### Administration

The County Manager is appointed by the County Commissioners and serves as Chief Executive Officer of the County of Yadkin. The County Manager provides leadership and management of County operations and works through a management team composed of an Assistant County Manager, Finance Officer, Department Directors, and other key staff members to identify needs, establish priorities, administer programs, policies and operations, and build organizational capacity. The County Manager also assists County Commissioners in their policy making role by providing recommendations and background materials on programs, trends, and issues of concern to the County Commissioners and the Administration. County Administration also includes the Clerk to the Board, Human Resources/Risk Management and an Events Planner for the Agricultural & Educational Building's Banquet Rooms.

#### Performance Measures:

1. 99% of all phone calls received will be answered by the second ring.
2. Respond to 95% of all complaints within 24 hours.

### BUDGET SUMMARY

	<b>FY 2019 Actual</b>	<b>FY 2020 Original</b>	<b>FY 2021 Recommended</b>
<b>Personnel</b>	\$ 405,002.66	\$ 462,370.00	\$ 472,780.00
<b>Operating</b>	\$ 27,731.24	\$ 29,025.00	\$ 24,035.00
<b>TOTAL</b>	<b>\$ 432,733.90</b>	<b>\$ 491,395.00</b>	<b>\$ 496,815.00</b>

**Finance**

The Finance Department focuses on the County's financial services, including audit, debt service management, cash investments, payroll, utility billing, payables, and purchasing.

## Performance Measures:

1. The Finance Department will reconcile bank accounts within 10 days of receiving the bank statements.
2. The Finance Department will prepare payroll 100% of the time with 95% being error free.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 174,057.17	\$ 181,285.00	\$ 189,835.00
<b>Operating</b>	\$ 22,704.74	\$ 22,775.00	\$ 18,000.00
<b>TOTAL</b>	<b>\$ 196,761.91</b>	<b>\$ 204,060.00</b>	<b>\$ 207,835.00</b>

**Tax**

The Tax Office appraises business, personal and real property, as well as billing and collecting those taxes. Motor vehicles are appraised, billed and collected by the State since the implementation of Tax and Tag Together in FY2014. The Tax Office also operates the License Plate Agency.

## Performance Measures:

1. Increase the real and personal property tax collection rate to greater than 98%.
2. Process 100% of transactions received from the Register of Deeds Office within 24 hours.
3. Have no more than five (5) errors per month in the License Plate Agency.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 601,608.39	\$ 687,990.00	\$ 698,830.00
<b>Operating</b>	\$ 148,177.53	\$ 137,170.00	\$ 140,065.00
<b>TOTAL</b>	<b>\$ 749,785.92</b>	<b>\$ 825,160.00</b>	<b>\$ 838,895.00</b>



**Court Facilities**

Counties are required by statute to provide space for the courts, Judges, District Attorney, Clerk of Court, Probation and Magistrates. To offset the expense, counties receive a portion of court fees. With COVID-19 and the high foot traffic in the Courthouse, cleaning frequency has increased, as well as providing hand sanitizer and masks for visitors.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Operating</b>	\$ 51,292.44	\$ 57,000.00	\$ 53,000.00
<b>TOTAL</b>	<b>\$ 51,292.44</b>	<b>\$ 57,000.00</b>	<b>\$ 53,000.00</b>

**Department of Juvenile Justice, Delinquency and Prevention/JCPC**

The North Carolina Department of Juvenile Justice, Delinquency and Prevention provides funding to local Juvenile Crime Prevention Councils to fund local programs to assist juveniles in the judicial system. In mid-year FY2020, the Raise the Age Act took effect, increasing the age served by Juvenile Justice to 18 rather than 16. Additional funding for the Juvenile Crime Prevention Councils (JCPCs), came along with the additional population to serve. The local JCPC made the decision to not fund two (2) programs it has funded for the last ten (10) years: Juvenile Mediation and Project Challenge. The Children's Center of Northwest NC operates the Temporary Shelter and Why Try? Programs and requested funding to implement a Teen Court and Restitution Program, which the JCPC agreed to fund in FY2021. The funding received by the County from the Department of Juvenile Justice is distributed to the programs monthly. Programs funded through the JCPC do request the County provide the required 20% match. JCPC funds are also used for administrative purposes and they do not require a match. The operating funds listed below include those received from the State and the County match.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Operating</b>	\$ 135,891.00	\$ 135,891.00	\$ 168,019.00
<b>TOTAL</b>	<b>\$ 135,891.00</b>	<b>\$ 135,891.00</b>	<b>\$ 168,019.00</b>

**Elections**

The Board of Elections is responsible for all elections and hires staff as appropriate to fulfill their statutory obligations, which includes the General Election in November.

## Performance Measures:

1. Increase voter participation in One-Stop voting by 2%.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 119,284.29	\$ 128,795.00	\$ 130,665.00
<b>Operating</b>	\$ 69,371.92	\$ 80,060.00	\$ 88,618.00
<b>TOTAL</b>	<b>\$ 188,656.21</b>	<b>\$ 208,855.00</b>	<b>\$ 219,283.00</b>

**Register of Deeds**

The Registrar of Deeds is elected by the citizens every four years and hires Deputy Registrars to serve as appropriate to fulfill his statutory obligations.

## Performance Measures:

1. Return 100% of all documents “walked in” or submitted electronically immediately after recording.
2. Return 100% of all documents mailed-in within 24 hours of receipt.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 192,721.57	\$ 199,855.00	\$ 201,117.00
<b>Operating</b>	\$ 54,240.83	\$ 56,740.00	\$ 55,710.00
<b>TOTAL</b>	<b>\$ 246,962.40</b>	<b>\$ 256,595.00</b>	<b>\$ 256,827.00</b>

**Information Technology**

The Information Technology Department provides a wide array of services which support all departments through end-user client support, network infrastructure, software applications, and championing the use of technology to meet the County's needs.

## Performance Measures:

1. Respond to 100% work orders entered into the system within 24 hours.
2. Resolve 90% of network issues within 24 hours.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 307,444.54	\$ 334,345.00	\$ 339,252.00
<b>Operating</b>	\$ 14,969.73	\$ 12,000.00	\$ 9,000.00
<b>TOTAL</b>	<b>\$ 322,414.27</b>	<b>\$ 346,345.00</b>	<b>\$ 348,252.00</b>

**Public Buildings**

Public Buildings is responsible for cleaning, utilities, maintenance and debt service of County buildings.

## Performance Measures:

1. Respond to 100% work orders entered within 24 hours.
2. Resolve 90% of work orders within 48 hours.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 241,536.05	\$ 254,110.00	\$ 257,115.00
<b>Operating</b>	\$ 194,762.19	\$ 231,275.00	\$ 234,800.00
<b>Debt Service</b>	\$ 353,128.02	\$ 346,151.00	\$ 339,175.00
<b>TOTAL</b>	<b>\$ 789,426.26</b>	<b>\$ 831,536.00</b>	<b>\$ 831,090.00</b>

**Sheriff**

The Sheriff is elected by the citizens every four years and hires sworn deputies and other personnel to serve at his pleasure in the Sheriff's Office, Communications, and Detention Center. Currently, 43 of his employees are sworn officers. He provides four School Resource Officers for the Yadkin County Public Schools and operates the Animal Control Division. The Sheriff's budget also includes the Law Enforcement Officers' Separation Allowance for sworn officers who retire and meet the criteria established by the North Carolina General Statutes.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 4,584,128.22	\$ 5,076,801.00	\$ 5,111,760.00
<b>Operating</b>	\$ 1,234,419.24	\$ 1,198,682.00	\$ 1,208,240.00
<b>Debt Service</b>	\$ 613,977.64	\$ 613,979.00	\$ 975,880.00
<b>TOTAL</b>	<b>\$ 6,432,525.10</b>	<b>\$ 6,889,462.00</b>	<b>\$ 7,295,880.00</b>

**Emergency Services**

Emergency Services provides Emergency Management, Emergency Medical Services and Fire Marshal services within the County.

## Performance Measures:

1. Have wheels rolling 80% of the time within 90 seconds on emergent calls.
2. Decrease hospital turnaround time to 90 minutes 70% of the time.
3. Have 100% of all level one-year and two-year fire inspections current by June 30, 2021.
4. Improve Fire Marshal inspections' collections to 85%.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 2,745,309.36	\$ 2,991,631.00	\$ 3,051,955.00
<b>Operating</b>	\$ 398,983.10	\$ 416,800.00	\$ 414,035.00
<b>Capital</b>	\$ 218,583.33	\$ 205,000.00	\$ 226,000.00
<b>Debt Service</b>	\$ 28,039.08	\$ 27,473.00	\$ 13,525.00
<b>TOTAL</b>	<b>\$ 3,390,914.87</b>	<b>\$ 3,640,904.00</b>	<b>\$ 3,705,515.00</b>

**Central Permitting**

Central Permitting in Yadkin County includes all building inspections, minimum housing code enforcement in Boonville and East Bend, new construction fire inspections, planning services and scheduled Environmental Health permits. The Director has delegated authority from the Human Services Director to supervise the Environmental Health Program.

## Performance Measures:

1. Maintain a substantiated complaint rate of less than 1 per 1,000 permits issued.
2. Respond to 98% of all customer complaints within 24 hours.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 351,879.92	\$ 357,795.00	\$ 382,800.00
<b>Operating</b>	\$ 18,300.27	\$ 21,190.00	\$ 19,065.00
<b>TOTAL</b>	<b>\$ 370,180.19</b>	<b>\$ 378,985.00</b>	<b>\$ 401,865.00</b>

**Medical Examiner**

North Carolina General Statutes require counties to pay for services rendered by the North Carolina Medical Examiner as needed.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Operating</b>	\$ 26,900.00	\$ 23,000.00	\$ 26,000.00

**Animal Shelter**

The Animal Shelter provides shelter and care for animals that are lost or in need of a home. The Shelter operates a Spay-Neuter Program in an effort to help reduce the stray animals within Yadkin County. The Shelter works with many rescue groups to help find forever homes for the animals that make their way to the Shelter.

**Performance Measures:**

1. 100% of eligible animals leaving the Shelter are spayed/neutered, micro-chipped and current on their rabies vaccinations prior to adoption.
2. Increase adoption rates by 2%.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 161,667.35	\$ 177,980.00	\$ 175,560.00
<b>Operating</b>	\$ 66,357.24	\$ 72,450.00	\$ 71,325.00
<b>Debt Service</b>	\$ 27,945.94	\$ 27,381.00	\$ 13,480.00
<b>TOTAL</b>	<b>\$ 255,970.53</b>	<b>\$ 277,811.00</b>	<b>\$ 260,365.00</b>

**Economic Development**

The County contracts with the Economic Development Partnership to provide economic development services to encourage growth, business development, industrial growth, retail development throughout the County. The FY2021 budget recommends funding for operations only and delays funding for future projects. In accordance with North Carolina General Statutes, a public hearing will be held on the appropriation of county funds for economic development the same night as the County's Budget Public Hearing on June 11<sup>th</sup>.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Operating</b>	\$ 76,000	\$ 76,500	\$ 76,500
<b>Programs</b>	\$ 67,000	\$ 67,000	\$ 0
<b>TOTAL</b>	<b>\$ 143,000</b>	<b>\$ 143,500</b>	<b>\$ 76,500</b>

**Cooperative Extension**

Cooperative Extension is a cooperative effort between NC State, A&T University and counties. Employees are cost-shared between the State and the County to provide services to farmers, 4-H Clubs and many others within the County. The FY2021 budget funds the Cooperative Extension Director position fully in Yadkin County, rather than having an Interim or shared Director.

## Performance Measures:

1. Increase the number of local training opportunities for farmers and other agricultural/horticultural professionals by 5%.
2. Increase the number of local workshops and development opportunities for youth by 10%.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 103,667	\$ 173,985	\$ 212,455
<b>Operating</b>	\$ 5,579	\$ 14,580	\$ 12,600
<b>TOTAL</b>	<b>\$ 109,246</b>	<b>\$ 188,565</b>	<b>\$ 225,055</b>

**Soil and Water Conservation District**

Soil and Water Conservation District Board members are elected every four years and hire staff to assist citizens with erosion control, watershed areas and farm plans. Yadkin County also provides office space for several Federal employees of the Natural Resources Conservation Service.

**Performance Measures:**

1. Work with landowners to ensure that water quality issues within Yadkin County are addressed within 72 hours.
2. Complete regular maintenance and inspections of the 15 watershed structures annually.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 172,660	\$ 179,332	\$ 189,235
<b>Operating</b>	\$ 42,456	\$ 126,223	\$ 116,945
<b>Capital</b>	\$ 16,500	\$ 15,000	\$ -
<b>Debt Service</b>	\$ 638,088	\$ 638,089	\$ 638,095
<b>TOTAL</b>	<b>\$ 869,703</b>	<b>\$ 958,644</b>	<b>\$ 944,275</b>

**Human Services Agency**

Human Services is the consolidated agency comprised of Public Health and Social Services. Yadkin County consolidated administration and operations of these departments in February 2013, but continue to budget them separately due to State and Federal funding. Both divisions share Administrative staff and this budget reflects a shift of minimal time from Social Services to Health. The FY2021 budget reflects decreases in funding from the Federal and State governments, which corresponds to decreases in expenditures for the Social Services Division. However, the addition of a Care Manager for Medicaid in the Health Division has increased its revenues and expenditures from the Federal Government.

**Performance Measures:**

1. 95% of all screened-in child protective services referrals will be initiated within the federally required timeframe.
2. 95% of all foster youth will have face to face contact made by a social worker monthly.
3. 95% of all screened-in adult protective services referrals will be initiated within the federally required timeframe.
4. 90% of eligible WIC clients will meet the NC WIC Program processing standards for enrollment.



## FY2020-2021 RECOMMENDED BUDGET

5. 90% of all eligible two-year old children served by the Medical Clinic with a status of active in NCIS will have documentation of age-appropriate immunizations annually.
6. 100% of all food and lodging inspections will be completed in accordance with guidelines set forth by the NC Division of Environmental Health.

### BUDGET SUMMARY

HEALTH	FY2019 Actual	FY2020 Original	FY2021 Recommended
Personnel	\$ 1,043,512	\$ 1,179,611	\$ 1,214,566
Operating	\$ 253,284	\$ 332,665	\$ 310,074
Capital	\$ 8,500	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 1,305,297</b>	<b>\$ 1,512,276</b>	<b>\$ 1,524,640</b>
SOCIAL SERVICES	FY2019 Actual	FY2020 Original	FY2021 Recommended
Personnel	\$ 3,513,549	\$ 3,709,921	\$ 3,639,057
Operating	\$ 228,230	\$ 210,865	\$ 220,675
Programs	\$ 1,818,303	\$ 1,950,124	\$ 1,936,414
Capital	\$ 6,386	\$ 7,000	\$ -
<b>TOTAL</b>	<b>\$ 5,566,468</b>	<b>\$ 5,877,910</b>	<b>\$ 5,796,146</b>

### Mental Health

Yadkin County citizens receive mental health, developmental disability and substance abuse services through Partners Behavioral Health. Partners serves nine (9) counties in North Carolina (Burke, Catawba, Cleveland, Gaston, Iredell, Lincoln, Rutherford, Surry and Yadkin).

### BUDGET SUMMARY

	FY2019 Actual	FY2020 Original	FY2021 Recommended
Operating	\$ 118,000	\$ 118,000	\$ 118,000

### Veterans' Services

Yadkin County has many citizens who have served our Country and are entitled to certain benefits and services. The Veterans' Services Officer meets with veterans and helps them apply and receive these benefits and services.

## FY2020-2021 RECOMMENDED BUDGET



### Performance Measures:

1. Submit 100% of applications within one (1) hour of receipt.
2. Submit applications with less than 11% being returned with errors.
3. Achieve 98% wins on appeals cases.

### BUDGET SUMMARY

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 53,961	\$ 54,335	\$ 55,545
<b>Operating</b>	\$ 1,425	\$ 3,360	\$ 1,645
<b>TOTAL</b>	<b>\$ 55,386</b>	<b>\$ 57,695</b>	<b>\$ 57,190</b>

### Hospital

The County has retained the license for the hospital and has requested that it be considered a Legacy Medical Facility as authorized in North Carolina General Statutes so that it can be reopened within thirty-six months. This status was extended for an additional thirty-six months. A minimal staff has been retained to maintain the medical records, both paper and radiology. Parts of the facility have been leased to medical and behavioral health agencies and the County has one employee assigned to the facility to monitor the usage of it and to assist visitors as needed.

### BUDGET SUMMARY

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 48,867.65	\$ 93,535.00	\$ 92,632.00
<b>Operating</b>	\$ 129,567.15	\$ 129,300.00	\$ 130,300.00
<b>TOTAL</b>	<b>\$ 178,434.80</b>	<b>\$ 222,835.00</b>	<b>\$ 222,932.00</b>

### Recreation

Parks and Recreation maintains all of the County parks, including Memorial Park and all of our river accesses. Staff also provides grounds maintenance for all County property. Phase II of Memorial Park is expected to open within the first four (4) months of the fiscal year.

### Performance Measures:

1. Complete Phase II of Yadkin Memorial Park by October 31, 2020.

**BUDGET SUMMARY**

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 397,411	\$ 411,153	\$ 419,772
<b>Operating</b>	\$ 136,411	\$ 130,974	\$ 151,053
<b>Capital</b>	\$ -	\$ 37,752	\$ -
<b>TOTAL</b>	<b>\$ 533,822</b>	<b>\$ 579,879</b>	<b>\$ 570,825</b>

**Education**

Education continues to represent approximately 21% of our local budget, with revenues pledged for the current expense and capital needs of the Yadkin County Public School System and the Surry Community College's Yadkin Center. Although the State is responsible for funding the cost of school operations, the General Assembly continues to inadequately fund public schools. The debt service for the Public Schools increases the portion of the County's budget to 26.9% for Education.

The Yadkin County Board of Education has completed its FY2021 appropriation request. The Superintendent's final total request for \$7,537,893 has been submitted. This request reflected a \$140,030 or 1.9% increase. The Manager's recommended budget for the Public School System is \$7,468,511, which reflects an overall \$70,648 or 1% increase.

Of the amount requested, \$7,287,341 was in current expense and \$250,552 was in capital outlay. This recommended budget includes \$7,217,959 in current expense and \$250,552 in capital outlay.

The Yadkin County Board of Education requested \$50,000 in funding for a career development coordinator that would begin work in January 2021 and work with high school juniors and seniors to place them into paid internships during the school day. This program is in partnership with Elkin City Schools, Mt. Airy City Schools, Surry County Schools and Surry Community College. The Yadkin County FY2021 Recommended Budget includes this funding.

The Superintendent's request for Capital Outlay was \$250,552, an \$817 decrease over FY2020. The School System has identified its most critical capital needs, including installing at least one water fountain that also serves as a water bottle refill station on each campus. With COVID-19 continuing to be an issue through the summer and into the fall, this is one safety step that may help prevent the spread of the virus.

Surry Community College requested \$311,000, which is the same amount as appropriated

## FY2020-2021 RECOMMENDED BUDGET

in FY2020. The County continues to offer the Yadkin Guarantee to encourage young adults to further their training and education and increased the amount to \$80,000 for FY2021. The Guarantee is a scholarship program for Yadkin County students enrolled at the Yadkin Center in a curriculum program and will pay the difference between tuition and other scholarships the student(s) have been awarded.

### BUDGET SUMMARY

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Public Schools Current</b>	\$ 6,697,987	\$ 7,146,494	\$ 7,217,959
<b>Public Schools Capital</b>	\$ 256,300	\$ 251,369	\$ 250,552
<b>Public Schools Special Cap</b>	\$ 180,000	\$ -	\$ -
<b>Public Schools Debt Service</b>	\$ 2,559,628	\$ 2,502,205	\$ 2,177,205
<b>Surry Community College</b>	\$ 270,000	\$ 311,000	\$ 311,000
<b>Yadkin Guarantee</b>	\$ 29,936	\$ 50,000	\$ 80,000
<b>Total</b>	<b>\$ 9,993,851</b>	<b>\$ 10,261,068</b>	<b>\$ 10,036,716</b>

### Community Action Programs

The County assists various non-profit organizations within the County that provide services the County would have to provide otherwise. Each non-profit agency receiving funding from the County will have a contractual relationship with the County to provide the services requested.

Yadkin Valley Economic Development, Inc. (YVEDDI) receives Home Community Care Block Grant (HCCBG) funds and ROAP Grant funds that are earmarked by the State for services to be provided in Yadkin County and are distributed to YVEDDI at the discretion of the Board of Commissioners. The HCCBG funds are distributed directly to YVEDDI, whereas the ROAP funds are sent to the County to be distributed. YVEDDI also operates three Senior Centers (Yadkinville, Yadkin Valley and East Bend). Citizens of Surry County also utilize the Yadkin Valley Center and Surry County shares in the funding of the Center, so the Yadkin County funding is reduced for that Center. YVEDDI requested an increase in funding to assist them with cash flow or the option to front the ROAP funding rather than reimburse it. The County is committed to providing home-delivered meals for senior citizens within the County and makes that a funding priority for YVEDDI.

Northwest Regional Library operates thirteen libraries in four counties (Alleghany, Stokes, Surry and Yadkin). They operate four libraries in Yadkin County (Yadkinville, East Bend, Boonville and Jonesville). Each Town contributes to their respective library within its

## FY2020-2021 RECOMMENDED BUDGET



township. The FY2021 budget recommends flat funding for the Library System after giving it an increase in FY2020.

The NC Forest Service is a state operated program with partnership funding through the County. The County funds roughly 40% of the local Forest Service, as well as provide them office space in the Agricultural & Educational Building.

The Yadkin County Rescue Squad plays a vital role in Public Safety within the County. It is a non-profit agency that provides rescue services, as well as medical first responder services when needed. The County funding for the Squad remains flat and they are developing a plan to replace their aging vehicle fleet.

### BUDGET

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>YVEDDI APPROPRIATION</b>	\$ 75,804	\$ 75,804	\$ 75,804
<b>ROAP EMPLOYMENT-YVEDDI</b>	\$ 2,529	\$ 10,115	\$ 10,115
<b>ROAP RGP-YVEDDI</b>	\$ 68,856	\$ 71,913	\$ 71,913
<b>YADKIN SENIOR CENTER</b>	\$ 39,500	\$ 39,500	\$ 39,500
<b>SENIOR MEALS RESERVE</b>	\$ 10,000	\$ 10,000	\$ 10,000
<b>YADKIN VALLEY SENIOR CENTER</b>	\$ 23,700	\$ 23,700	\$ 23,700
<b>EAST BEND SENIOR CENTER</b>	\$ 35,550	\$ 35,550	\$ 35,550
<b>FORESTRY CONTRIBUTION</b>	\$ 52,400	\$ 56,000	\$ 56,000
<b>ROAP EDTAP-YVEDDI</b>	\$ 60,413	\$ 60,413	\$ 60,413
<b>YADKIN LIBRARIES</b>	\$ 422,957	\$ 433,839	\$ 433,839
<b>RICHMOND HILL LAW SCHOOL</b>	\$ -	\$ 8,000	\$ 8,000
<b>COG PRETRIAL</b>	\$ 93,860	\$ 94,000	\$ 94,000
<b>RESCUE SQUAD</b>	\$ 163,000	\$ 163,000	\$ 163,000
<b>SALES TAX CONTRIB.TO VFD'S</b>	\$ 177,080	\$ -	\$ -
<b>VFD TURN OUT GEAR</b>	\$ 70,459	\$ 75,000	\$ 75,000
<b>MISCELLANEOUS</b>	\$ 13	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 1,296,120</b>	<b>\$ 1,156,834</b>	<b>\$ 1,156,834</b>

While Mental Health is not funded in Community Action Programs budget, it is appropriate to discuss it here. The FY2021 recommends maintaining FY2020's level of \$118,000, as they requested.

Richmond Hill Law School Commission has obtained its non-profit status and is gaining ownership of the Richmond Law School property from the Yadkin County Historical Society.

## FY2020-2021 RECOMMENDED BUDGET



### Non-Departmental

Expenditures that benefit all departments are placed in the Non-Departmental Category. All software maintenance agreements and phone services (excluding the Sheriff's Office and Social Services were moved to Non-Departmental to improve efficiencies in FY2019). This will provide better management of technology needs and funding levels.

### BUDGET

	FY2019 Actual	FY2020 Original	FY2021 Recommended
PERFORMANCE	\$ -	\$ 10,000	\$ -
UNEMPLOYMENT	\$ 1,820	\$ 8,000	\$ 3,000
PROFESSIONAL SERVICES	\$ 266,086	\$ 200,000	\$ 180,000
COUNTY ATTORNEY	\$ 125,779	\$ 130,000	\$ 130,000
ANNUAL AUDIT	\$ 46,500	\$ 60,000	\$ 65,000
LAND ACQUISITION	\$ 486,904	\$ -	\$ -
AG BUILDING EXPENSE	\$ -	\$ -	\$ 5,000
CONTRACTED SERVICES	\$ 179	\$ 2,500	\$ 3,500
FRAUD HOTLINE	\$ 1,845	\$ 2,000	\$ 2,000
INSURANCE CONSULTING	\$ 42,880	\$ 45,000	\$ 45,000
PUBLIC RELATIONS	\$ 18,019	\$ 20,000	\$ 25,000
VEHICLE LEASE	\$ 1,594	\$ 5,000	\$ 5,000
PARK IMPROVEMENTS	\$ 59,809	\$ 70,000	\$ 60,000
BANK SERVICE FEES	\$ (1,749)	\$ 10,000	\$ 8,000
POOL VEHICLE MAINTENANCE	\$ 5,874	\$ 5,000	\$ 5,000
TELEPHONE	\$ 45,330	\$ 46,000	\$ 22,200
TELEPHONE SYS.	\$ 18,323	\$ 20,000	\$ 20,000
SOFTWARE CONTRACT	\$ 285,857	\$ 265,900	\$ 289,580
DUES & SUBSCRIPTIONS	\$ 22,812	\$ 25,000	\$ 25,000
HR RESOURCES	\$ 6,890	\$ 8,000	\$ 7,000
CHRISTMAS HAM	\$ 18,396	\$ 19,000	\$ 18,000
TECHNOLOGY CAPITAL OUTLAY	\$ 123,516	\$ 137,400	\$ 149,114
BUILDING IMPROVEMENTS	\$ 41,574	\$ 30,000	\$ 60,000
CONTINGENCY	\$ -	\$ 50,000	\$ 50,000
TOTAL	\$ 1,618,238	\$ 1,168,800	\$ 1,177,394

### Transfers to Other Funds

The County transfers money from the General Fund to other funds, such as the Capital Projects Fund as needed, most recently for parks, buildings improvements/construction or

## FY2020-2021 RECOMMENDED BUDGET

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water/sewer projects. The FY2021 Recommended Budget includes contracts with non-profit Volunteer Fire Departments for the Fire Protection Services through the Fire District Trust Funds. The ad valorem Sales Tax that has been distributed to them in the Community Action portion of the budget are now going to be transferred to the respective Fire District Trust Funds for distribution.

### BUDGET SUMMARY

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Operating</b>	\$ 522,959	\$ 163,900	\$ 147,510
<b>TOTAL</b>	\$ 522,959	\$ 163,900	\$ 147,510

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## EMERGENCY TELEPHONE SPECIAL REVENUE FUND

Expenditures in this Fund are restricted to those authorized by North Carolina General Statute and approved by the NC 911 Board. These expenditures are managed by the Sheriff's Office for its Communications Center.

### BUDGET SUMMARY

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Operating</b>	\$ 157,042	\$ 268,040	\$ 246,870
<b>TOTAL</b>	<b>\$ 157,042</b>	<b>\$ 268,040</b>	<b>\$ 246,870</b>

## LAW ENFORCEMENT SPECIAL REVENUE FUND

Revenues in this Fund can only be spent on certain expenditures for law enforcement as determined by the Federal Department of Justice. These expenditures are managed by the Sheriff's Office.

### BUDGET

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Operating</b>	\$ 0	\$ 6,000	\$ 6,000

## OCCUPANCY TAX (TDA) SPECIAL REVENUE FUND

Revenues in this Fund can only be spent on expenditures to promote travel and tourism within Yadkin County. These expenditures are managed by the Chamber of Commerce staff through a contractual arrangement. The County transfers these funds to the TDA fund that is maintained by the County, as the TDA is a discreet component unit of the County.

### BUDGET

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Operating</b>	\$ 26,620	\$ 25,000	\$ 25,000

## **FIRE DISTRICTS' FUNDS**

The Board of Commissioners is authorized by North Carolina General Statutes to create Fire Service Districts and Rural Fire Protection Districts (once approved by ballot), to levy property taxes and set tax rates within those districts. The Districts' governing body is the Board of Commissioners and they contract with fire departments to provide fire services within the District. Currently, the County contracts with one fire department in each district and each department submitted a budget request to the County for funding in FY2021.

The County started a turnout gear reimbursement program in FY2018 through the General Fund and expanded the program in FY2020 to include Viper radios. The contractual amounts in the Fire District Funds exclude the reimbursement program, as it is funded in the County's General Fund. Nine (9) of the Volunteer Fire Departments and the Rescue Squad have taken advantage of this opportunity since its inception.

Volunteer Fire Departments across the United States, as well as in Yadkin County are struggling to recruit and retain their volunteers. Depending upon the location within the county, some departments struggle finding volunteers to respond to calls during the day and others struggle at night. The volunteer fire departments within Yadkin County are implementing ideas to help recruit and retain volunteers, from reimbursing them per call, hiring part-time employees, increasing part-time employees' rate of pay to exploring residency programs. Several have been awarded grants to help with recruitment, marketing and staffing.

The training requirements, as well as the risks associated with firefighting have increased and are impacting volunteers and their families. Surry Community College does not currently offer Firefighter Certification classes at the Yadkin Center and those members needing the certification classes have to travel to Dobson. Training needs are forcing Departments to explore new ways to provide training and to meet the requirements.

In Yadkin County volunteer fire departments are faced with aging apparatus (some trucks are approaching 30-40 years) which having costly repairs and other equipment such as thermal cameras and air bottles that need replacing. The FCC continues to make new requirements for radios. First it was narrow-banding and now it's in order to communicate with all agencies, radios must have the ability to communicate on the VIPER network. This means purchasing radios that will function on the County's analog system, as well as the VIPER digital system. Five of the county's volunteer fire departments have also been awarded 50/50 grants from the NC Office of the State Fire Marshal to assist with equipment replacement.

The fire departments need three main things to provide fire protection service: trained volunteers, trucks/equipment and water. The need to access water either by running hose, establishing water points or investing in pumper trucks is challenging in rural communities.

## FY2020-2021 RECOMMENDED BUDGET

Last year, all ten of the Departments pulled together for one water haul inspection by the State. It is a model that has been exemplified all across North Carolina!

The volunteer departments work hard with limited resources as non-profit organizations to provide a needed service to county citizens. They are all working to lower their ISO rating to assist citizens and businesses in their respective Districts with lower insurance rates.

There are parts of the county that are not within the 5- or 6- mile range of a fire station or sub-station which prohibits citizens in those areas from benefitting from lower ISO ratings. This needs to be addressed with realignment of the ISO districts, as well as response districts.

### VOLUNTEER FIRE DEPARTMENT RECOMMENDED ANNUAL CONTRACTUAL RATE

	FY2018 Actual	FY2019 Actual	FY2020 Actual Contract	FY2021 Requested Contract Amount	FY2021 Recommended Contract Amount
Arlington	327,915	331,898	328,000	327,000	328,000
Boonville	228,832	234,600	228,000	254,195	230,000
Buck Shoals	65,068	68,296	65,300	68,400	65,800
Courtney	165,867	165,817	165,945	171,144	168,800
East Bend	201,510	214,508	208,300	208,440	208,440
Fall Creek	170,812	172,428	194,000	194,000	194,000
Forbush	238,448	259,190	247,500	270,000	255,000
Lone Hickory	71,258	73,880	71,000	68,600	71,000
Yadkinville	519,421	529,075	520,000	534,148	520,000
West Yadkin	311,840	318,904	283,550	310,004	290,000
<b>TOTAL</b>	<b>2,300,971</b>	<b>2,368,596</b>	<b>2,311,595</b>	<b>2,405,931</b>	<b>2,331,040</b>

## FY2020-2021 RECOMMENDED BUDGET



### VOLUNTEER FIRE DEPARTMENT CASH ON HAND

In the Request for Funding, each Volunteer Fire Department reported having the following cash on hand.

	Checking	Savings	Equipment / Truck / Capital Fund	Relief Fund or Other	CDs	Money Market	TOTAL
Arlington	164,088	12,296	72,242	103,441	-	-	352,067
Boonville	90,076	78,982	-	-	-	-	169,058
Buck Shoals	90,568	999	-	31,729	42,285	-	165,581
Courtney	41,292	17,669	-	17,292	-	-	76,252
East Bend	49,235	-	-	20,301	11,286	-	80,822
Fall Creek	235,752	20	-	-	-	-	235,772
Forbush	136,558	-	-	11,129	70,429	53,590	271,706
Lone Hickory	181,542	-	77,418	10,515	-	-	269,476
Yadkinville	64,339	42,897	-	14,064	25,826	-	147,126
West Yadkin	99,938	20	255,482	41,361	-	207,477	604,278
<b>TOTAL</b>	<b>1,153,388</b>	<b>152,883</b>	<b>405,143</b>	<b>249,832</b>	<b>149,826</b>	<b>261,067</b>	<b>2,372,138</b>

### VOLUNTEER FIRE DEPARTMENT CALLS CALENDAR YEAR 2019

(Includes Fire, Medical, Service, Rescue calls as reported to the Office of the State Fire Marshal)

Arlington Fire & Rescue #16	674
Boonville #13	545
Buck Shoals #21	142
Courtney #19	401
East Bend #14	318
Fall Creek #15	443
Forbush #11	294
Lone Hickory #24	202
West Yadkin #18	612
Yadkinville #12	1260

**FIRE DISTRICTS' RECOMMENDED TAX RATE**

<b>Fire District</b>	<b>Tax Rates</b>
Arlington	0.08
Boonville	0.073
Buck Shoals	0.05
Courtney	0.08
East Bend	0.0725
Fall Creek	0.07
Forbush	0.075
Lone Hickory	0.075
West Yadkin	0.08
Yadkinville	0.065

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## SOLID WASTE ENTERPRISE FUND

The Solid Waste Fund generates revenue from the Solid Waste Household Fee and fees generated at the Transfer Station located at the Solid Waste Facility. The County also operates seven Collection Sites strategically located for convenience within the County. This budget does **not** address the need to replace the scales and the scales house at the Landfill.

### BUDGET SUMMARY

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 235,733	\$ 246,985	\$ 244,033
<b>Operating</b>	\$ 2,108,697	\$ 2,318,315	\$ 2,327,267
<b>TOTAL</b>	<b>\$ 2,344,430</b>	<b>\$ 2,565,300</b>	<b>\$ 2,571,300</b>

## WATER AND SEWER ENTERPRISE FUND

The Water and Sewer Fund is to operate the water and sewer lines owned by the County. Effective July 1, 2016, the Town of Yadkinville leased the water and sewer lines they have maintained and operated for many years. The FY2021 Budget includes the revenues and expenditures for the Highway 21 waterline and the East Bend Waterline. Water is purchased from the Town of Jonesville and the Winston-Salem Forsyth County Utilities Commission respectively for these waterlines and neither entity is increasing the rates they charge Yadkin County in FY2021, therefore, the Recommended Budget does not reflect any change in rate other than the cost share previously discussed with the Town of East Bend. The personnel costs include the ORC and an additional operator for the waterlines. The FY2021 budget also includes the Debt Service for the East Bend waterline.

### BUDGET SUMMARY

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>Personnel</b>	\$ 79,026	\$ 125,200	\$ 137,065
<b>Operating</b>	\$ 431,259	\$ 244,760	\$ 235,546
<b>Debt Service</b>	\$ 208,750	\$ 208,750	\$ 203,139
<b>TOTAL</b>	<b>\$ 719,035</b>	<b>\$ 578,710</b>	<b>\$ 575,750</b>

## SELF INSURANCE INTERNAL SERVICE FUND

This fund services the employees' health insurance administration and claims and is funded from all County departments. It also includes the Employee Wellness Clinic that opened in FY2019. The fixed costs expenditure line reflects an increase in the premium for stop-loss coverage of \$125,000 per occurrence.

### BUDGET

	<b>FY2019 Actual</b>	<b>FY2020 Original</b>	<b>FY2021 Recommended</b>
<b>CLAIMS</b>	\$ 1,971,149	\$ 1,804,300	\$ 1,855,900
<b>MEDICAL FIXED COSTS</b>	\$ 336,273	\$ 340,000	\$ 360,000
<b>YMCA PARTNERSHIP</b>	\$ 4,181	\$ 3,200	\$ -
<b>EMPLOYER \$500</b>	\$ 101,201	\$ 127,000	\$ 127,000
<b>EMPLOYEE CLINIC</b>	\$ 195,963	\$ 320,000	\$ 320,000
<b>ADMIN SVCS</b>	\$ 3,340	\$ 3,500	\$ 3,500
<b>TOTAL</b>	<b>\$ 2,612,108</b>	<b>\$ 2,598,000</b>	<b>\$ 2,666,400</b>

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